

Minutes of the Lottery Advisory Commission
December 16, 2013

Attendance

A meeting of the Lottery Advisory Commission (Commission) was held from 10:04 a.m. – 10:38 a.m., on Monday, December 16, 2013. Representing the Commission was Mr. Mike Rud (Chairman); attending by teleconference were Representative Lois Delmore, Representative Joe Heilman, and Senator Lonnie Laffen. Mr. Russ Hanson was absent. Representing the North Dakota Lottery (Lottery) were Mr. Randy Miller, director, Mr. Ryan Koppy, sales and marketing manager, Ms. Missy Reich, administrative staff officer, Ms. Julie Thompson, security officer and Ms. Sonja Walder, administrative assistant.

Discuss Online System Conversion Items

Ms. Thompson presented information on the banking cost/fees associated with the internet subscription service payment process (eCommerce). There is a one-time setup and implementation fee of \$30,000. The Know Your Customer and Office of Foreign Assets Control fees include an initial registration fee of 47 cents per registrant to verify the subscriber is 18 years or older; age re-verification fee (required every six months) of 1.5 cents per registrant; and IP Geo-location fee of 2 cents per look-up. Scientific Games International has agreed to pay these fees up to \$4,500 annually. Fees in excess of \$4,500 annually will be paid by the Lottery.

Other fees the Lottery would be responsible for include processing debit and credit card payments at 3.30% and 4.95% of each transaction, respectively; processing ACH payments at 30 cents per transaction; ACH withdrawal by player from winnings at 30 cents per transaction; ACH returned item re-deposited at \$27.50 per returned item; and ACH returned item rejected/dishonored at \$27.50 per returned item. The preparation, processing, and mailing of printed checks is the responsibility of the Lottery.

Commissioner Delmore made a motion to approve the cost/fees associated with the internet subscription service payment process (eCommerce). Commissioner Laffen seconded the motion. The motion passed 4-0. The recommendation will be presented to Attorney General Stenehjem for final approval.

Consideration to Discontinue Subscription Renewal Discounts

Ms. Thompson presented information for consideration to discontinue subscription renewal discounts. Last year the Lottery issued approximately \$47,000 in subscription discounts. The Lottery proposes using the Player's Club rewards function to reward subscribers in place of the renewal discounts.

Commissioner Heilman made a motion to discontinue subscription renewal discounts. Commissioner Delmore seconded the motion. The motion passed 4-0. The recommendation will be presented to Attorney General Stenehjem for final approval.

Adjournment

Commissioner Delmore made a motion to adjourn. Commissioner Heilman seconded the motion. The motion passed 4-0. The meeting adjourned at 10:38 a.m.